

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICTS
NOS. 27 AND 35

To be held in the HEARING ROOM
OF THE BOARD OF SUPERVISORS
Kenneth Hahn Hall of Administration, Los Angeles, California

TUESDAY	June 14, 2005	At 9:30 A.M.
ANTONOVICH	BRATHWAITE BURKE	MOLINA (Chair)
		KNABE
		YAROSLAVSKY

1. Recommendation: Approve minutes of the regular meetings held March 8, 2005 (both Districts).
2. Recommendation: Approve departmental invoices as follows:

	<u>February</u>	<u>March</u>	<u>April</u>
District 27 (3)	\$2,357.91	\$5,200.51	\$5,359.16
District 35 (5)	163.01	280.68	211.27
3. Recommendation: Establish by resolution appropriations limit for fiscal year 2005-06 as required by California Government Code Section 7910 utilizing the population change within Sanitation District No. 27 (3) at \$569,527.
4. Recommendation: Adopt Operating Fund budget for fiscal year 2005-06 (both Districts).
5. Recommendation: Adopt a resolution requesting a tax levy for the Operating Fund in District No. 27 (3) at \$176,000.
6. Recommendation: Authorize appropriations in the Operating Fund per budget (both Districts).
7. Recommendation: Consent to conveyance from District No. 26 to District No. 32 of rights and obligations under Joint Exercise of Powers Agreement (Agreement) for Los Angeles County Sanitation Districts Financing Authority (District No. 27 only).

Adjourn

DISTS. 27 AND 35

JUNE 14, 2005

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 02/28/05

To:	<u>County Sanitation District No. 27</u> (Org. Receiving Services)	Date Service Accrued:	<u>Feb. 28, 2005</u>
From:	<u>County Sanitation District No. 2</u> (Org. Providing Services)	Date Prepared:	<u>Mar. 17, 2005</u>

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 1,953.31
Joint Administration - Capital	2.04
Local - Capital	13,055.62

CREDIT:

Local - Capital Improvement Fund	(11,065.28)
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Total of all charges	<u>\$ 3,945.69</u>
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Recap 056

Document No.	<u>333</u>	Date Board Approved:	<u></u>
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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 02/28/05

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: Feb. 28, 2005

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Mar. 17, 2005

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 161.00
Joint Administration - Capital	2.01

Total of all charges	<u>\$ 163.01</u>
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Recap 056

Document No. 339

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 03/31/05

To:	<u>County Sanitation District No. 27</u> (Org. Receiving Services)	Date Service Accrued:	<u>Mar. 31, 2005</u>
From:	<u>County Sanitation District No. 2</u> (Org. Providing Services)	Date Prepared:	<u>Apr. 19, 2005</u>

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	2,799.63
Joint Administration - Capital		93.10
Local - Capital		2,307.78

Total of all charges	\$	<u>5,200.51</u>
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Recap 063

Document No. 373

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 03/31/05

To:	<u>County Sanitation District No. 35</u> (Org. Receiving Services)	Date Service Accrued:	<u>Mar. 31, 2005</u>
From:	<u>County Sanitation District No. 2</u> (Org. Providing Services)	Date Prepared:	<u>Apr. 19, 2005</u>

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	187.36
Joint Administration - Capital		93.32

Total of all charges	\$	<u>280.68</u>
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Recap 063

Document No. 379

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 04/30/05

To: County Sanitation District No. 27
(Org. Receiving Services)

Date Service Accrued: Apr. 30, 2005

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: May. 16, 2005

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 2,414.53
Joint Administration - Capital	30.85
Local - Capital	2,913.78

Total of all charges	<u>\$ 5,359.16</u>
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Recap 070

Document No. 413

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 04/30/05

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: Apr. 30, 2005

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: May. 16, 2005

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 180.40
Joint Administration - Capital	30.87

Total of all charges	<u>\$ 211.27</u>
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Recap 070

Document No. 419

Date Board Approved: _____



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (562) 699-7411, FAX: (562) 699-5422
www.lacsd.org

JAMES F. STAHL
Chief Engineer and General Manager

June 1, 2005

File No. 31-150.13.10

Boards of Directors
County Sanitation Districts
Nos. 27 and 35 of
Los Angeles County

Directors:

Consolidated Agenda

The consolidated agenda includes the following items for the regular meetings of the Boards of Directors of the Districts meeting Tuesday, June 14, 2005.

1. Approval of Minutes. Copies of these minutes have been provided to each of the Directors.
2. Approval of Departmental Invoices. A departmental invoice is an internal document that transfers each District's proportionate share of expenditures made by District No. 2, the administrative District, on behalf of the participating Districts in accordance with the authority granted through the approved annual budget and applicable joint powers agreements. During the month, charges are made to a clearing account which is administered by District No. 2 and then are distributed at month end according to said agreements.
3. Appropriations Limit (3). The Constitution of the State of California, which was approved in November 1979, places a constitutional limit on the authorization to expend the proceeds of taxes levied by state and local government in California. In January 1981, the Government Code was amended to require the governing body for each local jurisdiction to establish, by resolution, an appropriations limit for each fiscal year. The appropriations limit for fiscal year 2005-06 has been determined by adjusting the previous limit for fiscal year 2004-05, based upon change factors for service area population increases and the change in the California Personal Per Capita Income. The appropriations limit has also been adjusted to include the increased costs of complying with federal requirements (mandated costs). This is in accordance with the procedures outlined in Article XIII B and Section 7910 of the California Government Code. The calculations are shown in Exhibit No. 1.
- 4., 5., 6. 2005-06 Budget Matters. Attached are copies of the proposed budgets for fiscal year 2005-06 with a breakdown of the items included in each sewerage system budget. Each budget has been prepared to show necessary expenditures for the fiscal year July 1, 2005 to June 30, 2006 and cash flow requirements for the following six-month period until future income becomes available. Budget resources for District No. 27 include cash on hand, bond proceeds, interest, and a pro rata share of ad valorem tax (which continues to reflect the state mandated reduction). Budget resources for District No. 35 include cash on hand and interest.

The sewerage system budget has been prepared in accordance with the Joint Administration Agreement. In the case of Districts which contract with the City of Los Angeles for sewerage service (District No. 27) or for Districts which are inactive (District No. 35), the Joint Administration Agreement states that these Districts shall pay one one-hundredth of one percent of all joint expenses.

District No. 27 currently owns and operates trunk sewers and a pumping plant within the District. However, the District does not own or operate any treatment and disposal facilities. The District contracts for these services with the City of Los Angeles. The District's staff has no direct control over the City of Los Angeles' costs. Thus, the portion of the proposed budget attributable to disposal O&M and capital is a direct reflection of the City of Los Angeles' operation and maintenance costs.

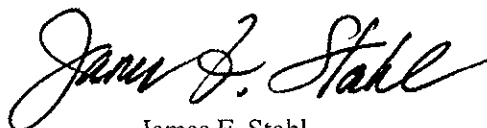
The local sewer O&M cost reflects the cost of operating and maintaining the District's local pumping plant. However, the District is planning a capital project to construct a gravity sewer that would eliminate the need for the pumping plant. When construction of the new sewer is complete, the local O&M cost will decrease significantly. The capital cost of the proposed sewer will be funded with available bond proceeds.

The 2004-05 Budget Act authorized the State to reallocate the distribution of property taxes from local governmental entities to the Educational Relief Augmentation Fund (ERAF). The Act provided for the shift to occur in fiscal years 2004-05 and 2005-06. Although the intent was to restore the property tax allocation in the following year, the Act did not make any guarantees to that effect. Consequently, the voters adopted Proposition 1A in November 2004 which only allows the State to shift property taxes for one additional fiscal year during the next ten years. Any subsequent taking would require the State to first repay, with interest, the previous taking. The net effect is that the Districts wastewater operations, in aggregate, will lose \$57 million in property taxes for the two-year period of 2004-05 and 2005-06. District No. 27 will lose approximately 13% of its property taxes for those years. Although it is uncertain at this time, the possibility exists that the State could exercise its right for one additional taking in fiscal year 2006-07 if the State's economy does not sufficiently improve before then. In order to offset the lost property tax revenue, District No. 27 is using monies previously set aside in its Rate Stabilization Fund. The increased use of these funds to offset the loss of property taxes may necessitate the implementation of a service charge in the future.

The cost of acquisition, implementation, and daily operation of the Districts operated landfills and transfer stations is paid for by charges to customers at those facilities. These charges are based on weight and type of material. The attached sewerage system budget does not include expenditures related to the operation of the solid waste facilities.

7. Financing Authority Consent (3). The Los Angeles County Sanitation Districts Financing Authority (Financing Authority) was established in 1993, by execution of the Joint Powers of Authority Agreement (Agreement), to assist the signatory Districts to finance capital projects through the issuance of bonds. In November 2003, Districts Nos. 26 and 32 began a process to consolidate into a single District to be known as the Santa Clarita Valley Sanitation District. With approval by the Local Agency Formation Commission of Los Angeles County on January 25, 2005, District No. 26 must now seek the consent of the other member Districts of the Financing Authority to convey the rights and obligations under the Agreement to its successor, District No. 32 and eventually the Santa Clarita Valley Sanitation District. A copy of the Consent is attached.

Very truly yours,



James F. Stahl

JFS:vm

Enclosures

cc: B. Richard Marsh
Paul Novak
Samantha Brickers

SUMMARY OF 2005-06 APPROPRIATIONS LIMIT FOR SANITATION DISTRICT NO. 27

DISTRICT NUMBER	2004-05 APPRO. LMT. EXCLUDING MANDATED COSTS	POPULATION CHANGE FACTOR	APPRO. LMT.* CHANGE FACTOR	2005-06 APPRO. LMT. EXCLUDING MANDATED COSTS	2005-06 MANDATED COSTS	2005-06 APPRO. LMT. INCLUDING MANDATED COSTS	ESTIMATED AD VALOREM TAX REVENUES	DISTRICT NUMBER
27	529,995	1.01890	1.0725	568,417	1,110	569,527	153,000	27

**COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY
SEWERAGE SYSTEM FINAL BUDGET FOR 2005-06**

**REQUIREMENTS FOR FISCAL YEAR
JULY 1 THROUGH JUNE 30:**

APPROPRIATION:

2005-06

O&M - Joint Administration	\$	1,200
O&M - Technical Services		3,000
O&M - Contract Disposal		44,000
O&M - Local District Sewers		32,000
Capital - Joint Administration		100
Capital - Local Capital		204,000
Capital - Disposal to City of Los Angeles		66,000
Bond Repayment		66,000
Previously Incurred Expenses		17,000
Contingency for Emergency		<u>10,000</u>
	\$	443,300

CASH FLOW REQUIREMENT (for period
JULY 1 THROUGH DECEMBER 31)

137,000

TOTAL BUDGET:

\$ 580,300

ESTIMATED CASH AND REVENUE:

Cash on Hand July 1	\$	93,000
Taxes		153,000
Transfer of Bond Proceeds		200,000
Interest and Contracts		3,000
Transfer from Rate Stabilization Fund		<u>131,300</u>
TOTAL RESOURCES:	\$	580,300

COUNTY SANITATION DISTRICT NO. 27 OF LOS ANGELES COUNTY
JULY 1, 2005 THROUGH JUNE 30, 2006

PROPOSED CAPITAL PROJECTS

JOINT ADMINISTRATION: \$ 100

LOCAL:

1. District 27 Gravity Sewer	\$ 200,000	
2. District 27 Pumping Plant	<u>4,000</u>	
		\$ 204,000

TOTAL PROPOSED CAPITAL PROJECTS: \$ **204,100**

Bond Fund

Beginning Balance	\$ 889,000
Interest	27,000
Expenses	<u>(200,000)</u>
Ending Balance	\$ 716,000

Rate Stabilization Fund

Beginning Balance	\$ 821,000
Interest	25,000
Expenses	<u>(131,300)</u>
Ending Balance	\$ 714,700

**COUNTY SANITATION DISTRICT NO. 35 OF LOS ANGELES COUNTY
SEWERAGE SYSTEM FINAL BUDGET FOR 2005-06**

**REQUIREMENTS FOR FISCAL YEAR
JULY 1 THROUGH JUNE 30:**

APPROPRIATION:

2005-06

O&M - Joint Administration
Future District Activities

\$ 1,200
 16,600

TOTAL BUDGET:

\$ 17,800

ESTIMATED CASH AND REVENUE:

Cash on Hand July 1
Interest and Contracts

\$ 17,100
 700

TOTAL RESOURCES:

\$ 17,800

**CONSENT OF MEMBER DISTRICT OF THE LOS ANGELES COUNTY
SANITATION DISTRICTS FINANCING AUTHORITY**

The undersigned, _____, hereby states as follows:

1. That the undersigned is the duly appointed and acting Chairperson of County Sanitation District No. ____ of Los Angeles County (the "District").
2. That the District is a party to that certain Joint Exercise of Powers Agreement, Los Angeles County Sanitation Districts Financing Authority dated April 14, 1993 (the "JPA Agreement"), by and among South Bay Cities Sanitation District of Los Angeles County and County Sanitation Districts Nos. 1, 2, 3, 4, 5, 8, 9, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29 and 32 of Los Angeles County to jointly exercise powers under Government Code Section 5600 et seq. for purposes of forming the Los Angeles County Sanitation Districts Financing Authority (the "Authority").
3. That Section 8.08 of the JPA Agreement provides that a signatory District may assign and assume or otherwise transfer or convey its obligations under the JPA Agreement, including any obligations of the signatory District with respect to the Authority, with the written consent of the other signatory Districts.
4. That the respective Boards of Directors of County Sanitation Districts Nos. 26 and 32 of Los Angeles County (individually "District No. 26" or "District No. 32") have jointly adopted Resolutions for consolidation of District No. 26 into District No. 32, effective July 1, 2005, in accordance with Part 3, Division 3, Title 5 of the California Government Code (the "Consolidation") and that said Consolidation has been approved by the Local Agency Formation Commission of Los Angeles County. The consolidated district will eventually be known as Santa Clarita Valley Sanitation District of Los Angeles County. Under the terms of the Consolidation, the obligations of District No. 26 will be transferred and otherwise assumed by operation of law by District No. 32.
5. That the District hereby grants its consent to the assignment, assumption or otherwise transfer or conveyance of District No. 26's obligations under the JPA Agreement, including any obligations of District No. 26 with respect to the Authority, to District No. 32, effective upon the consummation of the Consolidation on July 1, 2005.

DATED:

COUNTY SANITATION DISTRICT NO.
OF LOS ANGELES COUNTY

ATTEST:

Chairperson, Board of Directors

Secretary to the Board

March 8, 2005
9:30 o'clock, A.M.

Upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, this Board of Directors does hereby approve and adopt an amended Conflict of Interest and Disclosure Code, copy of which is on file in the Office of the District and all the provisions of which are incorporated herein as though fully set forth, said Amended Code to supersede the Conflict of Interest and Disclosure Code previously adopted by this Board.

Upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, the minutes of the regular meeting held December 14, 2004, were approved.

Upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, the meeting adjourned.

GLORIA MOLINA
Chairperson

ATTEST:

M. ALMA HORVATH
Secretary

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 35
HELD IN THE HEARING ROOM OF THE BOARD OF
SUPERVISORS, KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA

March 8, 2005
9:30 o'clock, A.M.

The Board of Directors of County Sanitation District No. 35 of Los Angeles County met in regular session.

There were present: Michael D. Antonovich, Director from Los Angeles County
Yvonne Brathwaite Burke, Director from Los Angeles County
Donald R. Knabe, Director from Los Angeles County
Zev Yaroslavsky, Director from Los Angeles County
Gloria Molina, Chairperson, Director from Los Angeles County

Absent: None

Also present: M. Alma Horvath, Secretary of the District

RE: DEPARTMENTAL INVOICES The following departmental invoices for the months of November and December 2004 and January 2005 were presented and upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, were approved:

No. 220 - November 2004

DEBIT:

C.S.D. #35 - Operating Fund - Operation & Maintenance	\$155.21
C.S.D. #35 - Operating Fund - Joint Administration - Capital	7.60
	<u>\$162.81</u>

CREDIT:

C.S.D. #2 - Operating Fund - Abatement of Expense - I.D.S.	\$162.81
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No. 259 - December 2004

DEBIT:

C.S.D. #35 - Operating Fund - Operation & Maintenance	\$171.90
C.S.D. #35 - Operating Fund - Joint Administration - Capital	7.56
	<u>\$179.46</u>

CREDIT:

C.S.D. #2 - Operating Fund - Abatement of Expense - I.D.S.	\$179.46
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No. 299 - January 2005

DEBIT:

C.S.D. #35 - Operating Fund - Operation & Maintenance	\$150.91
C.S.D. #35 - Operating Fund - Joint Administration - Capital	41.55
	<u>\$192.46</u>

CREDIT:

C.S.D. #2 - Operating Fund - Abatement of Expense - I.D.S.	\$192.46
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RE: JOINT ADMINISTRATION - ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED 6/30/2004 - RECEIVE AND FILE Upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, the Comprehensive Annual Financial Report (Report) of the County Sanitation Districts of Los Angeles County for the fiscal year ended June 30, 2004, was accepted and ordered filed. The Report includes the annual audit required by state and federal laws.

RE: AMENDED CONFLICT OF INTEREST AND DISCLOSURE CODE - APPROVE AND ADOPT

In a letter dated February 24, 2005, the Chief Engineer and General Manager advised that at its meeting of January 18, 2005, the Districts' code reviewing body, the Los Angeles County Board of Supervisors, adopted an Amended Conflict of Interest Code and Disclosure Categories for the Sanitation Districts. The amendment consists of revisions of two disclosure categories and updated titles for three designated positions. Pursuant to Government Code Section 87306, each District Board is required to adopt the amended code. An Amended Conflict of Interest and Disclosure Code incorporating these changes was presented and it was recommended that said Amended Code be adopted.

Upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, this Board of Directors does hereby approve and adopt an amended Conflict of Interest and Disclosure Code, copy of which is on file in the Office of the District and all the provisions of which are incorporated herein as though fully set forth, said Amended Code to supersede the Conflict of Interest and Disclosure Code previously adopted by this Board.

Upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, the minutes of the regular meeting held December 14, 2004, were approved.

Upon motion of Director Brathwaite Burke, duly seconded and unanimously carried, the meeting adjourned.

GLORIA MOLINA
Chairperson

ATTEST:

M. ALMA HORVATH
Secretary

/dk